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The Hungarian delegation did not consider this a formal renunciation of Hungarian rights to the farm properties in question, however.

3. Another problem to be considered was the status of Hungarian-owned industrial enterprises which had been nationalized by Rumania.

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(~~CONFIDENTIAL~~ Comment: Whereas there are considerable Hungarian industrial holdings within the present borders of Rumania, there are almost no Rumanian industrial holdings in Hungary).

Antos stated that the Hungarian Government appreciated Rumanian efforts to liquidate the capitalist system and that the Hungarian Government recognized the nationalization by Rumania of the numerous industrial enterprises which formerly belonged to Hungarian nationals in Rumania. For this reason the Hungarian Government was not attempting to bring about the return of these industrial properties to Hungarian ownership, nor did it intend to create a precedent whereby the Western powers might introduce claims for nationalized property in Hungary formerly owned by Western nationals. Antos requested, therefore, that the Rumanian Government compensate Hungary for nationalized industrial establishments formerly owned by Hungarian citizens, but that the transaction be disguised so as not to reveal the real reason for payment. The Rumanian committee members refused to commit themselves on this point, but agreed to forward Antos' request to the Rumanian Cabinet for consideration.

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(~~CONFIDENTIAL~~ not give any indication when a decision was expected on this point. Apparently, the matter was still pending on 21 September 1948, since property in this category is excluded from the terms of the formal agreement and its confidential annex signed on that date, which are discussed below.)

4. On 21 September 1948, an agreement was signed by Committee No. 4, stating that all privately-owned houses, furniture, and other personal belongings in Rumania to which Hungarian nationals once held title, were to be released to their Hungarian owners by Casbi, Rumanian Property Control Office.

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(~~CONFIDENTIAL~~ remarks which follow, it seems that this action did not constitute unqualified release of all the property involved to its former owners, but merely recognition of their ownership.)

It was further agreed that a small amount of the movable property involved, as defined in a "type inventory," was to be released for restitution; movable property in excess of the "type inventory" was to be sold and the proceeds used to cover transport and administration expenses incurred in the private property restitution process. In cases concerning privately-owned real estate, it would be permissible to exchange houses and buildings owned by Hungarians in Rumania for similar privately-owned property in Hungary after payment to the Rumanian Government of one half of the usual taxes assessed on property transfer transactions; the Hungarian Government agreed to grant the same rights to Rumanian nationals having real estate in Hungary.

5. In a confidential appendix to the 21 September agreement, Hungary renounced its right to properties in Rumania formerly owned by juridical persons (corporations and other legal entities) of Hungary, except for industrial enterprises and real estate which have been nationalized by the Rumanian Government. Hungary also renounced its rights to movable properties, not a part of an industrial establishment, which are now in the possession of a Rumanian state institution, Rumanian Communist Party, or any recognized "democratic mass-organizations"; rights to properties in this latter category were renounced

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regardless of whether the properties were formerly privately-owned by Hungarian nationals, by juridical persons, or by the Hungarian Government. In reciprocation for Hungarian concessions made in the confidential appendix, the Rumanian Government renounced its rights to all deported goods of Rumanian origin within the state boundaries of Hungary as of 21 September 1948, including Jewish gold from Transylvania which was restituted to Hungary by French authorities.

6. Antos refused to claim \$1,000,000 worth of pipe belonging to MACRT, Hungarian-American Oil Company, which is now in Rumanian possession, although the MACRT representative in Rumania requested Antos to claim the pipe.

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